

MONTHLY REPORT FROM THE USAID STAR PLUS PROJECT

NOVEMBER 2011

Legislative Function and Processes

Project 16: On November 29, VCCI, with funding from the U.K. Embassy and technical support from USAID STAR Plus, released the final report of Project 16. Project 16 is a public-private partnership to review 16 laws and implementing regulations regarded as very important to businesses that are also scheduled for revision by the National Assembly. The report was presented to the Vietnam Business Forum on December 2 and distributed to all ministries and to the National Assembly. About 90 people participated in the workshop. Participants included representatives of the National Assembly, the Office of the Government, business associations and sector experts. A press conference was held after the workshop. The attendees appreciated the hard work that went into the report and recommended that this be an annual exercise. They called upon USAID and the UK to provide continued support for this effort.

Government Reorganization: On November 29, USAID STAR Plus met with the Legal Department of the Office of the Government to discuss a comprehensive program for USAID STAR Plus expert, Professor William Frasure. Professor Frasure will work closely with the OOG, a number of ministries and local authorities to discuss issues relating to the development of a draft amendment of the Law on Government Organization. The OOG will also work with Dr. Frasure on a plan for their work relating to the Government's Annual Plan for Decree Development.

Trade and Investment Enabling Environment

Training on food safety risk assessment: Dr. Stephan Neel and Richard Raymond, M.D. completed a week-long program to train MARD officials on the concepts and principles of food safety risk assessment on November 12. At the beginning of the week they engaged in discussions with MARD concerning preparing risk assessments for specific food products in order to identify the highest priority activities for the implementation of the Vietnam Food Safety Law of 2010. Following meetings in Hanoi with MARD, the World Bank and a field trip to observe a provincial slaughterhouse, the team traveled to Hai Phong for a one day workshop on food safety risk assessments and low cost methods for improving hygiene for slaughter. Approximately 80 people took part in the program. The following day they visited the Hai Phong Port to observe procedures for inspection of imported goods. They also visited a chicken and pig slaughtering facility in the center of Hai Phong and a wet market. They identified many low cost and no cost steps that could be taken in wet markets that would have a highly positive impact on food borne illness. In addition to the potential for dramatic improvements in public health in Vietnam, this effort is essential to ensure that the Vietnam's market is opened to U.S. meat exports, potentially worth billions of dollars. This long-term goal of supporting U.S. exports would be achieved if Vietnam adopted a science-based system of inspecting products with the highest risks, and reduced the rates of inspection on products from the United States and from other countries with high

standards of food safety. Dr. Raymond is the former Under Secretary of the U.S. Department of Agriculture and Dr. Neel is a technical expert on livestock production, meat production, post-harvest handling of fruits and vegetables, cold chain systems, quality and safety systems, extension of shelf life and improved process control.

Labor Law Textbook: Translation of the book International Labor Law: Cases and Materials on Worker's Rights in the Global Economy by Lance Compa of Cornell University, a USAID STAR consultant on labor matters, was completed in mid-November. USAID STAR Plus has secured the rights to electronic distribution of this material in Vietnamese and it will be made available to universities throughout Vietnam for use in law training programs.

Anti-Dumping Training: USAID STAR Plus continued to provide training on anti-dumping and WTO law to members of the Vietnam Competition Authority of the Ministry of Industry and Trade throughout November. The focus this month has been on summarizing cost of production issues in antidumping investigations.

Project 16: The Vietnam Chamber of Commerce and Industry (VCCI) held a workshop in Hanoi on November 2, 2011 to review progress on Project 16. The workshop was financed by DFID and the British Embassy, but USAID has made substantial contributions to the program. USAID's contributions were recognized on <http://luatsuadoi.vibonline.com.vn/Home/Index.aspx>. Project 16 is an effort to influence the 16 highest priority laws and regulations to the business community that are scheduled to be revised by the National Assembly in upcoming sessions. The program will provide elected representatives with very specific recommendations to make this legislation more business friendly.

TPP Capacity Building: On November 9, USAID STAR met with officials of the Ministry of Industry and Trade (MOIT) to introduce them to the on-line training offered by the Institute for Law and Commercial Diplomacy. One person from MOIT will take the training course and, if it is deemed worthwhile, as many as 50 additional officials will enroll. USAID STAR Plus also discussed the possibility of providing regular training on FTA issues, using the US-Korea FTA as a model, for MOIT staff. This would be similar to the on-going training for staff of the Vietnam Competition Authority.

Training on "Pathways to the US Market: Understanding SPS Requirements and the U.S. Food Safety Modernization Law:" USAID STAR Plus and the Ministry of Agriculture and Rural Development (MARD) provided training for 113 person in Ho Chi Minh City from on November 29. The training program was preceded by a visit to Son Son Corporation, an irradiation facility for processing dragon fruit and rambutan fruit to the United States. Matthew Lantz, a U.S. expert on horticulture and SPS, trained MARD and other government officials and members of the business community on key issues of the U.S. Food Safety Modernization Act (enacted in January 2011). Mr. Lantz also presented case studies from Mexico and New Zealand on the development of avocado and kiwi fruit exports to the United States and explained the steps needed for Vietnam tropical fruit enterprises to export their products to the US markets.

The workshop coincided with a problem with a large shipment of dragon fruit to California. The shipment had been quarantined by FDA inspectors who detected pesticide residue on the fruit. There is no U.S. established maximum residue level (MRL) for dragon fruit, but the levels detected were far below the EU maximum allowable level. The shelf life of dragon fruit is short, so it is probably too late to prevent this shipment from spoiling, but USAID experts were able to contract officials at the Environmental Protection Agency and to provide advice on how to respond to the FDA. Some Vietnamese officials were advocating retaliatory action against US shipments of agricultural products, but timely intervention with the relevant US officials prevented that.

IPR Training for MOSCT officials: A 3-day training program was held from November 23-25 for officials of the Ministry of Sports, Culture and Tourism at the Ministry's training academy in Hanoi. The training focused on laws, regulations and practices on intellectual property rights protection with a particular focus on cinema and television products. These issues have been a major concern of the United States for several years. Officials from more than 40 provinces attended the event. A similar program will be conducted in the south, but the date and location are still to be determined.

FAO and Food Safety: USAID STAR Plus met with the staff of the United Nations Food and Agriculture Organization (FAO/Vietnam) to discuss the upcoming visit by USAID STAR Plus food safety experts, Dr. Raymond and Dr. Neel. The FAO staff provided a briefing on the food safety capacity building activities of the FAO in Vietnam, and they expressed an interest in meeting Dr. Raymond and Dr. Neel. The primary food safety related activity of FAO is the preparation of a food safety inspection manual for the Ministry of Health (MoH). The FAO said this would not duplicate the work of Dr. Raymond and Dr. Neel because the FAO's counterpart is the MoH and not MARD. They added that the FAO manual focuses on principles and guidance for inspection so that MOH can develop its own plan for inspection (when, how, which kind of products, etc.). Their manual will not be product-specific, although FAO did develop some case studies for inspection with regard to milk, mineral water, bottled water (but not yet for meat). The FAO is also in process of developing a manual on inspection of imported food. This manual will only focus on imported food, not domestic food, and is expected to be released by the end of 2011. FAO staff expressed an interest in continued dialogue and coordination with USAID/STAR Plus.

Financial Sector Enabling Environment and Fiscal and Monetary Policy

Reports to OOG: The Office of the Government (OOG) thanked the USAID STAR Plus Project for the recent papers on macroeconomic and monetary policies. The OOG said they would like USAID STAR Plus to provide two more short papers on public debt and the downside of Resolution 11. MPI asked USAID STAR Plus to support its efforts to evaluate debt accumulated by foreign invested enterprises.

Training on budgeting and development of the Government budget for 2012: The first training course on budgeting and developing budget for 2012 was held in Vinh Phuc from November 3-5. The program included the participation of high level officials from the Ministry of Planning and Investment and the Ministry of Finance. The results of the training were used immediately thereafter in the preparation of the Government's budget for 2012. In the course of the training, it became clear that overly optimistic assumptions regarding revenue collection may be contributing higher rates of inflation by encouraging more public investment spending.

State Bank of Vietnam: On November 7, USAID STAR Plus met with the State Bank of Vietnam (SBV) group responsible for systemization of legal normative documents (LNDs), they are mainly from the SBV's Legal Department. The SBV's Legal Department is working with all of the Bank's departments to compile a list of LNDs that they drafted in order to determine the precise number of issued regulations which are still in use. By the end of November, the Legal Department will have a final list. Using this list, the Legal Department will develop a database of all currently valid SBV regulations that can be used by the entire banking system in Vietnam.

Tariff Software: USAID STAR Plus met with the Vietnam Customs Department to discuss the on-line tariff database. The database was developed in 2010 with support from USAID STAR Plus. The software has been accepted by Customs and works well, but there are compatibility problems with Customs' IT system. The database will be hosted by USAID STAR Plus on another server for one year while Customs resolves their internal problems.

Rule of Law

Criminal Procedure Process: Former Federal Prosecutor Richard Shine's paper and Power Point Presentation on the United States Criminal Procedure Process were formally presented at an SPP-hosted, high level conference on November 15. It was attended by approximately 100 people, including university professors, members of research institutes, members of the SPP, experts in criminal law, the MOJ and the Supreme People's Court. The seminar was co-chaired by the Chief Prosecutor, Mr. Binh, Mr. The and Mr. Duc (from the Institute for Prosecutorial Science) with Mr. Le Tien of the ICD serving as moderator. Other papers were presented by representatives of France, South Korea, China, Japan, Russia, Hungary and Italy.

IPR Raid: On November 29, the Market Management Bureau of Hanoi conducted a raid to seize products that violated intellectual property rights. The raid was conducted with the cooperation of VACIP, an important USAID STAR PLUS counterpart. This type of action has been encouraged by USAID STAR for many years. The counterfeit products seized included cosmetics, garments and shoes. Twelve separate teams under the direction of the Market Management Bureau conducted simultaneous raids on locations throughout the city.

Consumer Protection Law: USAID STAR Plus supported a workshop in Hue on November 17 with the Viet Nam Competition Authority (VCA). The purpose was to disseminate information on the Law on Consumer Protection and its guideline decree, Decree 99. Participants in the workshop came from many different organizations, including consumer protection associations, private enterprises and government offices with responsibility for implementing the Law on Consumer Protection—a law that directly affects everybody in Vietnam. VCA expressed their appreciation for USAID’s support, especially the intensive support they received from USAID STAR II and STAR Plus from the very first day they began work on drafting the Law until today. Discussions at the workshop also revealed that much greater efforts will be needed by many parties before the average Vietnamese consumer feels confident that they are protected properly by the Law. MOIT plans to conduct similar activity in several other provinces in the coming months.

Customs Training: Training courses on IPR protection at borders for Vietnam Customs officials were conducted in Hanoi and Ho Chi Minh City from November 14 to 19. The program in Hanoi lasted for 3 days, while in HCMC the course only took 2 days. An additional day in Hanoi was added to provide time for foreign experts to get to know the situation in Vietnam before sharing their U.S. and international experience. The Vietnamese participants included customs officials from borders all over Vietnam. Their greatest concern is the ability to access the Customs database to obtain information that would help them accomplish their responsibilities. According to many officials, under the current policy, the ability to get access to the database is limited and many officials cannot get what they need when carrying out their duties. The course participants also discussed issues relating to investigation skills and cooperation among agencies in charge of IPR protection. Peter Fowler from USPTO and Mr. Sene Tchen from ICE attended both courses and provided the participants with valuable information. In spite of the fact that the main speaker, an official from the Customs and Border Protection Agency in Washington, did not come to Vietnam, several Vietnamese officials said this was the best program on border measures that they had ever attended.

Other

STAR Plus Work Plan: Coordination workshops chaired by the International Cooperation Department of the Ministry of Justice were held on October 27 and 28. The first day was devoted to a review and discussion of requests for USAID STAR Plus assistance from the Ministry of Justice and related organizations, such as the Judicial

Academy. Several parties at the workshop complained about the MOJ International Cooperation Department position that USAID STAR should focus exclusively on law implementation and not work on law development. They also complained about the way in which MOJ disqualified several requests without a strong basis for doing so. The Steering Committee reviewed the proposed MOJ-developed work plan on November 2.

VISITING INTERNATIONAL EXPERTS

Who	When	To Do What
Professor William Frasure	December 11-January 25	Conduct workshop on Congressional hearing process for the National Assembly, provide advice the OOG on the law development process and provide advice to the OOG Legal Department on government reorganization issues.
Governor Peter Nicholl	TBD (likely February 2012)	Provide advice to the National Financial Supervision Agency and the State Bank of Vietnam on early warning systems and various macroeconomic policy issues of concern to the GVN.
Professor William Bridges	December 2-12	Conduct training programs at Hanoi Law University, the Judicial Academy and Ho Chi Minh Academy on Criminal Procedure Law, Evidence Based Legal Teaching Methodology and Moot Court.
Richard Raymond, M.D. (former Under Secretary of Agriculture)	November 12-22	Provide training on food safety risk assessment techniques for pork.
Dr. Stephen Neel	November 12-22	Provide training on food safety risk assessment for beef.
Professor Xuan Thao Nguyen	December 2-12	Conduct training programs at Hanoi Law University, the Judicial Academy and Ho Chi Minh Academy on intellectual property rights, civil procedure and Teaching Methods.
Dean John Attansio	December 21-23	Conduct training at the Judicial Academy and the Hanoi Law University on constitutional law.

Dr. Dean Wilson	November 23-25	Conduct training on cinematography law at the Training Institute of the Ministry of Culture, Sports and Tourism.
Mathew Lantz	November 27-December 3, 2011	Train MARD, other government officials and members of the business community on key issues of the U.S. Food Modernization Act (enacted in Dec. 2010). Mr. Lantz will also present case studies and explain the steps needed for Vietnam tropical fruit enterprises to export their products to the US markets.
Dr. Cathy Carnevale	February 2012	(1) Train MOIT officials on the concepts and principles of food safety risk assessment. Assist MOIT officials in preparing risk assessments for specific food products in order to identify the highest priority activities for the implementation of the Vietnam Food Safety Law of 2010 through a food safety strategy plan.
Robert Childers	February 2012	Same as Dr. Carnevale above.
Gary Brabant, U.S. Customs and Border Protection	November 8-15	Conduct training on IPR enforcement for Vietnam Customs Officials.
Mr. Jeff Weiss, USTR Director for TBT Affairs,	March 2012	Train government officials and members of the business community on TBT issues to assist Vietnam participate more effectively in the TPP negotiations.
Alex Hunt, Branch Chief in the Office of Information and Regulatory Affairs (OIRA) in the Office of Management and Budget (OMB)	February/March 2012	Train government officials and members of the business community on TBT issues to assist Vietnam participate more effectively in the TPP negotiations.

UPCOMING EVENTS

Activities/Events	Date	Place	Objective
Workshop on legislative hearing procedures in	December 12	Hanoi	The Budget and Finance Committee of the National

cooperation with the UNDP..			Assembly requested USAID STAR Plus to support an U.S. expert to participate in a workshop on December 12 to share the US experience in introducing and using hearing procedures as part of its tool for legislation, supervision and budgeting.
Half day program on secured transactions	December 23	Hanoi	Support a dialogue between the relevant government agencies and members of the business community on registration of secured
Training on TPP TBT	February or March 2012		Train government officials and members of the business community on TBT issues to assist Vietnam participate more effectively in the TPP negotiations.
Seminar on TPP legal drafting and services agreement schedules.	TBD	Hanoi	The MOJ has requested USAID STAR Plus to arrange a 3-day seminar on TPP legal drafting and services agreement schedules. The initial focus will be on learning how to read an FTA text (using public examples). The remainder of the time will be being spent on learning how to draft a negative list for services.
Training on “Pathways to the US Market: Understanding SPS Requirements and the U.S. Food Safety Modernization Law	November 27- December 9	Ho Chi Minh City Binh Thuan Province.	Train MARD, other government officials and members of the business community on key issues of the U.S. Food Modernization Act (enacted in Dec. 2010). Mr. Lantz will also present case studies and explain the steps needed for Vietnam tropical fruit enterprises to export their products to the US markets

IPR Training for MOSCT officials.	November 23-25	Hanoi	The training will focus on laws, regulations and practices on intellectual property rights protection with a particular focus on cinema and television products. These issues have been a major concern of the United States for several years.
Training on Risk Assessment of Dairy Products:	February 2012	TBD	Train MOIT officials on the concepts and principles of food safety risk assessment. Assist MOIT officials in preparing risk assessments for specific food products in order to identify the highest priority activities for the implementation of the Vietnam Food Safety Law of 2010 through a food safety strategy plan.
IPR training for Customs Officials	November 9-15 (TBC)	Hanoi HCMC	Teach Customs officials responsible for IPR protection at borders certain skills that they need to complete their tasks. The participants came mainly from the newly established IPR Specialized Force at Customs headquarters.
Workshops on how to conduct food safety risk assessments for pork and beef with emphasis on imports.	November 12-22	Hanoi HCMC	Provide Vietnamese officials with training in conducting a science-based risk assessment. Goal is to improve regulations related to the Food Safety Law and similar legislation so that artificial barriers to trade are not erected and public health is protected.